



STATE OF TENNESSEE
DEPARTMENT OF FINANCIAL INSTITUTIONS
SUITE 400, NASHVILLE CITY CENTER
511 UNION STREET
NASHVILLE, TENNESSEE 37219
(615) 741-2236 FAX (615) 741-2883

MEMORANDUM

TO: ALL INDUSTRIAL LOAN & THRIFT REGISTRANTS

FROM: Compliance Division

DATE: APRIL 03, 2006

RE: ANNUAL REPORT REQUIRED BY T.C.A. §45-5-503

Enclosed, please find the Uniform State Report/Annual Report Form and the accompanying instructions, T.C.A. §45-5-503 requires that this report be returned to this department no later than July 31, 2006.

This report is designed to cover the lending activities conducted under the Industrial Loan and Thrift Companies Act. Accordingly, if you are acting only as an endorsement company it will not be necessary to complete the form in its entirety. Instead, simply print "Broker" in the upper left corner of page 1 of the annual report and complete the information under the heading "REPORTING ENTITY." Do not complete the report's schedules A-H.

If you have any questions regarding the above matters, please contact our office at (615) 741-3186.



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UNIFORM STATE REPORT/ANNUAL REPORT

INTRODUCTION

The purpose of the uniform state report is to provide a detailed summary of information for all operations conducted by the legal entity required to file in accordance with the provisions set forth under the Regulated Loan Act, or imposed by the regulating authority administering the Act.

The reporting entity must follow all instructions explicitly. If a company or affiliate operates more than one licensed office, the report must be filed on a composite basis. When preparing the report, do not underline or change captions. Report all amounts in even dollars. Where insufficient space is provided to set forth the facts adequately, annex a schedule giving the details.

DESCRIPTION OF LINES OF BUSINESS TO BE REPORTED

Throughout the report various references are made to the types of business activities engaged in by the reporting entity. These activities are defined as follows:

Regulated Loan Business - business activity which necessitates the filing of an annual report.

Other Business - all other loan and non-loan related activities engaged in by the reporting entity not included as part of Regulated Loan Business.

Total Business - sum of all activities engaged in by the reporting entity.

NOTE: IF THERE IS MORE THAN ONE REGULATED LOAN BUSINESS IN A PARTICULAR STATE REQUIRING THE FILING OF AN ANNUAL REPORT, THE REPORT PRESENTED TO THAT STATE SHOULD BE MODIFIED TO INCLUDE AN ADDITIONAL SET OF COLUMNS FOR EACH REGULATED TYPE OF BUSINESS.

The following schedule letters, captions and item numbers correspond with those shown in the report.

Reporting Entity

Items

- (1 & 2) Refer to the general instruction on the face of the report if filing on a composite basis.
- (3) Indicate the type of business organization which best describes the reporting entity.
- (4) Self-explanatory.
- (5) Self-explanatory.

SCHEDULE A

Regulated Loan Business Profit Percentages

This schedule summarizes operating results by computing three (3) basic elements of concern from the factual information contained within the report. They are Rate of Return, Analysis of Charges on Loans and Analysis of Expense Per Account.

Rate of Return

- (6) Average Net Receivables Outstanding - NOTE: FOR PURPOSES OF THIS REPORT "NET RECEIVABLES" ARE DEFINED AS GROSS RECEIVABLES LESS UNEARNED INTEREST OR DISCOUNT BEFORE DEDUCTING RESERVE FOR BAD DEBTS. Computed by accumulating the beginning of month balances for each reporting entity as reported in Schedule C, item 42c columns 1, 2, and 3 and divided by twelve (12). In cases where a reporting entity has not been in operation for a full twelve (12) months, the result shall be divided by the actual number in operation.
- (7) Net Income - Per Schedule B, item 38.
- (8) Rate of Return - Item 7 divided by item 6.

Analysis of Charges on Loans

- (9) Charges Collected and/or Earned - Per Schedule B, item 14.
- (10) Average Monthly Rate Collected - Computed by dividing item 9 by item 6 and the result divided by twelve (12). In cases where a reporting entity has not been in operation for a full twelve (12) months, the result shall be divided by the actual number in operation.

Analysis of Expense Per Account

- (11) Average Number of Accounts Outstanding - Compute using the same procedure as described for Item 6, by substituting number of accounts for net receivables.
- (12) Total Expenses - Per Schedule B, Item 37.
- (13) Average Monthly Expense per Account - Computed by dividing item 12 by item 11 and the result divided by twelve (12). In the case where a licensee has not been in operation for a full twelve (12) months, the result shall be divided by the actual number in operation.

SCHEDULE B

Statement of Income and Expenses

The purpose of this schedule is to show all income derived or produced by the reporting entity during the period covered by the report.

- (14) Charges Collected and/or Earned - This account must include all income derived from receivables. If the reporting entity's books are kept on a cash basis, this item will show the actual charges collected. If the reporting entity's books are kept on an accrual basis, this item will show the charges earned.
- (15) Other Income - This account must itemize all other revenue earned or collected by the reporting entity not derived from receivables.
- (16) Total Operating Income - The sum of items 14 and 15.
- (17) Advertising - This account must show the amount incurred by the reporting entity during the year for promoting or retaining the business of the reporting entity. Show only the amount for purchases of advertising supplies or outside services.
- (18) Auditing - This account must show the amount incurred by the reporting entity during the year for accounting and auditing services.
- (19) Bad Debts - This account must show the reporting entity's bad debts actually written off or accrued during the year.
- (19) (a) Charge-offs - This line must show the bad debt expense for reporting entities using a direct charge-off method.

- (19) (b) Deduct: Collections on Accounts Previously Charged-off - This account must show the total of amounts (principal, interest and other charges) received by the licensee during the year which were previously written off as a bad debt.
- (19) (c) Additions to Reserve for Bad Debts - This account must show the addition to reserve for reporting entities using the reserve method.
- (20) Depreciation and Amortization - This account must show amount expensed for fixed assets and other depreciable assets, such as Debt Expenses, organization expense, etc.
- (21) Insurance & Fidelity Bonds - This account must show the amount expended by the reporting entity during the year for all insurance and bonding of employees.
- (22) Legal Fees & Disbursements - This account must show the amount expended by the reporting entity during the year for legal fees and disbursements related to the activities of outside counsel. Do not include recording and notary fees.
- (23) Postage, Printing, Stationery and Supplies - Self-explanatory.
- (24) Rent, Janitorial Services and Utilities - This account must show the total amount paid by the reporting entity during the year for the rental of (buildings, office equipment, etc.) janitorial services and utilities, including heat, light, water, sewer, etc. Expenses for janitorial services must be included here if they are not performed by an employee. If they are performed by an employee, include in item 26.
- (25) Salaries of Officers, Owners and Partners - This item must include all salaries, bonuses, pensions paid during the year.
- (26) Salaries of all other Employees - This item must include all salaries, bonuses, wages, pensions paid during the year.
- (27) Taxes Other Than on Income - This item must include all property taxes, and any other taxes which are not shown separately.
- (28) Licensee Fees - This account must show the amount incurred by the licensee during the year for license fees paid to city, county, state and federal governments.
- (29) Telephone and Telegraph - Self-explanatory.

- (30) Travel, Auto Expense and Allowance - This account must show the amount incurred by the licensee during the year for travel and travel related activities. The amount must include but is not limited to either direct payment or employee reimbursements of air, taxi, bus, train, auto rental and leasing fees; lodging and meals, travel insurance; use of employee vehicles and gasoline, registration and other fees, insurance, and repairs associated with vehicles owned by the reporting entity.
- (31) Supervision and Administration - This account must show the total amount of the expenses of an affiliated company during the year directly assigned and/or allocated to the reporting entity when not allocated to other items.
- (32) Other Expenses - This account must list all other expenses incurred by the reporting entity not otherwise shown.
- (33) Interest Paid on Borrowed Funds - Represents total interest expense on all debt obligations during the year.
- (34) Total Expenses Before Income Taxes - Total of items 17 - 33.
- (35) Income Before Income Taxes - Item 16 less item 34.
- (36) Income Taxes - This item must show the amount of state and federal income taxes paid or accrued for the year.
- (37) Total Expenses - Sum of items 34 and 36.
- (38) Net Income - Item 16 less item 37.
- (39) Net Income as a Percent of Average Net Receivables - Item 38 divided by item 44, Column 1 for Regulated Loan Business and by item 44, Column 2 for Other Business.

SCHEDULE C
Statement of Liquid and Earning Assets

The purpose of this schedule is to provide a statement of liquid and earnings assets, as at the end of the period covered by this report, which conforms to the actual books of reporting entity, as represented in Column 3, Total Business line 43.

- (40) Cash on Hand and In Banks - This account must show the amount of cash on hand or on deposit by the reporting entity with a bank or other financial institution at the end of the year.

- (41) Short-term Investments - This account must show the amount of Certificates of Deposit, Treasury Bills and other investments of a liquid nature.
- (42) Loans Receivable
- (42) (a) Gross Receivables - Represents the actual assignment of the reporting entity's receivables at the statement date in conformity with the description of Lines of Business to be reported in Columns 1, 2 and 3, respectively.
- (42) (b) Unearned Discount - This account must show the amounts for interest and other charges included in 42a which were unearned at the statement date.
- (41) (c) Net Loans Receivable - Determined by subtracting item 42b from item 42a.
- (42) (d) Reserve for Bad Debts - This account must show the amount which has been set aside by the reporting entity at the statement date for uncollectable accounts.
- (42) (e) Adjusted Net Receivables - Determined by subtracting item 42d from item 42c.
- (43) Total Liquid and Earning Assets - Total of items 40 - 42.
- (44) Average Net Receivables Outstanding - Refer to item 6 instruction.
- (45) Average Number of Accounts Outstanding - Refer to item 11 instructions.

SCHEDULE D Delinquency Summary

The purpose of this schedule is to summarize delinquency on Regulated Loans using recency. If the reporting entity does not maintain statistics on recency, contractual delinquency may be reported provided disclosure of this fact is made in Schedule G, State of Operating Policies.

- (46) Past due Accounts - Accounts which have had no collection of principal, interest or charges for 60 days or more. Items 46a and 46b are mutually exclusive as item 46a should exclude amounts which are included under 46b. Item 46d is computed by dividing Item 46c by item 42a, Column 1.
- (47) Interest only Accounts - Accounts which only interest, deferment, extension and/or default charges were received in the last 60 days.
- (48) Percent of Interest only Accounts - Computed by dividing Item 47 by Item 42a, Column 1.

- (49) Partial Payment Accounts - Accounts on which the total received in the last 60 days was less than 50% of the original contractual monthly payment (total received to include interest on simple interest accounts, as well as late charges or deferment charges on precomputed accounts.
- (50) Percent of Partial Payment Accounts - Computed by dividing Item 49 by Item 42a, Column 1.

SCHEDULE E

Analysis of Regulated Loan and Other Business Activity

- (51) Loans Outstanding at Beginning of Year - Same as Item 57 for the
- (52) preceding year.
- Loans Made During Year - This item must show the total number and net amount.
- (53) Loan Balances Purchased During Year - Self-explanatory.
- (54) Total - Sum of Items 51-53.
- (55) Loan Balances Charged-Off During Year - Self-explanatory.
- (56) Loan Balances Sold During the Year - Self-explanatory.
- (57) Loans Outstanding at End of Year - Must agree with Net Loans Receivable per Schedule C, Item 42c.
- (58) Total - Sum of Items 55 - 57.
- (59) Collections of Principal During the Year - Item 54 less Item 58.
- (60) Size Distribution of Regulated Loans Made During Year - This item must be completed to show the size distribution of loans by number and net amount for the Year.
- (61) Distribution of Regulated Loans Made by Type of Security - In many cases loans may be made on more than one type of security. In such instances, classify according to primary security.

SCHEDULE F

Legal Action (Items 62, 63 & 64)

This schedule is designed to show cases in which legal remedies are used for collection of Regulated Business Accounts.

SCHEDULE G
Statement of Operating Policies

In narrative form, set forth the accounting and/or operating policies during the period covered by this report. If there was a change in any policy since the filing of previous annual report, describe the former policy, the new policy, and the effective date of change from the old policy to the new policy.

SCHEDULE H
Supplemental Insurance Information (Item 65)

This supplement is designed to provide profile information on insurance services made available to the borrower at their option.

AFFIDAVIT

The affidavit must be executed, if a corporation, by a duly authorized officer of such corporation, or by a partner, if a partnership, or by the owner, if an individual. In the case of illness or inability of such person to sign the affidavit, it may be executed in such case by a legal representative or agent. The affidavit should be made before a Notary Public or other person authorized to administer oaths.

FILE WITH:

TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS
COMPLIANCE DIVISION
SUITE 400, NASHVILLE CITY CENTER
511 UNION STREET
NASHVILLE, TN 37219

ANNUAL REPORT

FISCAL YEAR ENDING _____, _____

LICENSEES ENGAGED IN THE BUSINESS OF MAKING REGULATED LOANS

IN THE STATE OF _____

READ THE INSTRUCTIONS CAREFULLY BEFORE COMPLETING THIS REPORT

This form must be completed for each licensed office, unless a company or affiliate operates more than one licensed office in this state, in which case this report should be filed on a Composite basis and Supplemental Schedule must be completed. In such instances enter under "Reporting Entity" the name of the parent company in Item 1; "Composite" under Item 2; and annex a separate schedule to include Items 1 and 2 for each licensed location contained in this report.

REPORTING ENTITY

1. Name of Licensee _____ License Number _____ 1.
2. Place of Business _____ 2.
3. ☐ Sole Proprietorship ☐ Partnership ☐ Corporation ☐ Other _____ 3.
4. Number of offices included in this report _____ 4.
5. Number of employees within the state at year end _____ 5.

SCHEDULE A

REGULATED LOAN BUSINESS PROFIT PERCENTAGES

RATE OF RETURN

6. Average Net Receivables Outstanding (See Instructions, must agree with Schedule C, Item 44) \$ _____
7. Net Income (Schedule B, Item 38) \$ _____
8. Rate of Return (Item 7 divided by Item 6) _____ %

ANALYSIS CHARGES ON LOANS

9. Charges Collected and / or Earned (Schedule B, Item 14) \$ _____
10. Average Monthly Rate Collected (See Instructions) _____ %

ANALYSIS OF EXPENSE PER ACCOUNT

11. Average Number of Accounts Outstanding (See Instructions, must agree with Schedule C, Item 45) # _____
12. Total Expenses (Schedule 3, Item 37) \$ _____
13. Average Monthly Expense per Account (See Instructions) \$ _____

SCHEDULE B
STATEMENT OF INCOME AND EXPENSES
FOR THE PERIOD FROM _____ TO _____

	<u>Column 1</u> Regulated <u>Loan Business</u>	<u>Column 2</u> Other <u>Business</u>	<u>Column 3</u> Total <u>Business</u>
<u>INCOME</u>			
14. Charges Collected and / or Earned	\$ _____	\$ _____	\$ _____
15. Other Income (Itemize)			
(a) _____	_____	_____	_____
(b) _____	_____	_____	_____
(c) _____	_____	_____	_____
16. Total Operating Income	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>
<u>EXPENSES</u>			
17. Advertising	\$ _____	\$ _____	\$ _____
18. Auditing	_____	_____	_____
19. Bad Debts			
(a) Charge-offs	_____	_____	_____
(b) Deduct: Collections on Accounts previously Charged Off	(_____)	(_____)	(_____)
(c) Additions to Reserve for Bad Debts	_____	_____	_____
20. Depreciation and Amortization	_____	_____	_____
21. Insurance and Fidelity Bonds	_____	_____	_____
22. Legal Fees and Disbursements	_____	_____	_____
23. Postage, Printing, Stationery & Supplies	_____	_____	_____
24. Rent, Janitorial Services and Utilities	_____	_____	_____
25. Salaries of Officers, Owners and Partners	_____	_____	_____
26. Salaries of all other Employees	_____	_____	_____
27. Taxes - Other than on Income	_____	_____	_____
28. License Fees	_____	_____	_____
29. Telephone and Telegraph	_____	_____	_____
30. Travel, Auto Expense and Allowance	_____	_____	_____
31. Supervision and Administration (when not allocated to other items)	_____	_____	_____
32. Other Expenses			
(a) _____	_____	_____	_____
(b) _____	_____	_____	_____
(c) _____	_____	_____	_____
33. Interest Paid on Borrowed Funds	_____	_____	_____
34. Total Expenses Before Income Taxes	_____	_____	_____
35. Income Before Income Taxes	_____	_____	_____
36. Income Taxes			
(a) State	_____	_____	_____
(b) Federal	_____	_____	_____
37. Total Expenses (Item 34 plus Item 36)	_____	_____	_____
38. Net Income (Item 16 less Item 37)	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>
39. Net Income as a Percent of Average Net Receivables (See Instructions)	_____ %	_____ %	_____ %

SCHEDULE E
ANALYSIS OF REGULATED AND OTHER BUSINESS ACTIVITY

	Column 1 Regulated Loan Business	Column 2 Other Business
	Number	Net Amount
51. Loans Outstanding at beginning of year (must agree with Schedule E, Item 57 of preceding year's report)	\$	\$
52. Loans made during year (Column 1 must agree with Items 60k and 61h)		
53. Loan balances purchased during year		
54. Total (Items 51 through 53)	\$	\$
55. Loan balances charged-off during year.	\$	\$
56. Loan balances sold during year		
57. Loans outstanding at end of year		
58. Total (Items 55 through 57)	\$	\$
59. Collections of principal during the year (Item 54 less Item 58)	\$	\$
60. Size Distribution of Regulated Loans made during year:		
	Number	Net Amount
(a) 300 or less		\$
(b) 301 to 500		
(c) 501 to 1,000		
(d) 1,001 to 1,500		
(e) 1,501 to 2,000		
(f) 2,001 to 2,500		
(g) 2,501 to 3,000		
(h) 3,001 to 5,000		
(i) 5,001 to 10,000		
(j) In excess of 10,000		
(k) Total (must agree with Item 52, Column 1)		\$
61. Distribution of Regulated Loans Made by Type of Security:		
	Number	Net Amount
(a) Household Goods		\$
(b) Automobiles		
(c) Household Goods and Automobiles		
(d) Unsecured		
(e) Comaker endorsed or guaranteed		
(f) Real Estate		
(g) Other		
(h) Total (must agree with Item 52, Column 1)		\$

SCHEDULE D DELINQUENCY SUMMARY

CFF043

**SCHEDULE F
REGULATED LOAN BUSINESS
LEGAL ACTION**

NOTE: A borrower's account may appear under any one or all classifications below

	<u>Number of Accounts</u>	<u>Amount Due</u>
62. Suits for recovery:		
(a) Suits instituted during period	_____	\$ _____
(b) Suits settled before judgment during period	_____	_____
63. Possession of chattels obtained by licensee:		
(a) Household goods	_____	_____
(b) Automobiles	_____	_____
(c) Other chattels and property	_____	_____
64. Sales of chattels by licensee:		
(a) Number	_____	_____
(b) Amount due	_____	_____
(c) Amount collected	_____	_____

**SCHEDULE G
STATE OF OPERATING POLICIES
FOR THE PERIOD _____ , THROUGH _____**

In narrative form, set forth the accounting and/or operating policies during the period covered by this report for items such as: income recognition, establishing reserve for bad debts and charge-off procedure; allocation of interest expense and supervision and administration expenses of the parent company or affiliate to Regulated Loan Licensees; as well as the expense allocation method used in Schedule B.

If there was a change in any policy since the filing of the previous annual report, describe the former policy, the new policy, and the effective date of change from the old policy to the new policy.

SCHEDULE H
SUPPLEMENTAL INSURANCE INFORMATION

65. Name of Insurance Companies for Customers of Licensees:

- | | | |
|-------------------------|-------|-----|
| (a) Credit Life | <hr/> | (a) |
| (b) Accident and Health | <hr/> | (b) |
| (c) Fire & E. C. | <hr/> | (c) |
| (d) Motor Vehicle | <hr/> | (d) |
| (e) Other (Specify) | <hr/> | (e) |

AFFIDAVIT

STATE OF

COUNTY OF

I,

 , the undersigned, being the

 of the

 ,

licensee swear (or affirm), that to the best of my knowledge and belief the statements contained in this report, including the accompanying schedules and statements (if any) are true and that the same is a true and complete statement in accordance with the law.

Subscribed and sworn to before me this

 day of

 A. D.

My commission expires
